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NOMINATION OF WILLIAM G. ROSENBERG

HEARING BEFORE THE COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS UNITED STATES SENATE ONE HUNDRED FIRST CONGRESS FIRST SESSION

ON THE NOMINATION OF WILLIAM G. ROSENBERG TO BE ASSISTANT
ADMINISTRATOR, ENVIRONMENTAL PROTECTION AGENCY

APRIL 14, 1989

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NOMINATION OF WILLIAM G. ROSENBERG

FRIDAY, APRIL 14, 1989

U.S. SENATE,
COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS,
Washington, DC.

The committee met, pursuant to notice, at 9:40 a.m., in room 406, Dirksen Senate Office Building, Hon. Quentin Burdick (chairman of the committee) presiding.

Present: Senators Burdick, Lautenberg, Baucus, Chafee, Reid, Symms, and Breaux.

OPENING STATEMENT OF HON. QUENTIN N. BURDICK, U.S. SENATOR FROM THE STATE OF NORTH DAKOTA

Senator BURDICK. Today's hearing concerns the nomination of William G. Rosenberg to be Assistant Administrator for Air and Radiation at the Environmental Protection Agency. On behalf of the committee, I wish to welcome Mr. Rosenberg and his guests.

I also wish to welcome our distinguished colleague from Michigan, Senator Levin. He will introduce Mr. Rosenberg.

It is important that we get on with the business of clean air. The appointment of Mr. Reilly as EPA Administrator, and now Mr. Rosenberg as his Assistant for Air, is a good sign. These appointments show that this Administration is serious about improving the quality of our air.

In the months ahead, clean air will be the committee's top priority. For years we have wrestled with this problem, but our exhaustive efforts have not resulted in successful action on the Senate floor.

I am optimistic that this Congress and the new Administration will work together to achieve an aggressive and workable clean air bill. I look forward to working with Mr. Rosenberg toward this goal. Mr. Rosenberg has favorably impressed me. He is committed to the environment, and he is bright, eager, and energetic. I see him as an "includer," somebody who will, like Mr. Reilly, know how to communicate with everyone concerned to resolve the many clean air issues we face.

Mr. Rosenberg, you will need that quality and the wisdom of Solomon to help us and the Administration act to implement clean air amendments.

I would now like to call upon my colleague from the great State of Michigan to say a few words.

**STATEMENT OF HON. CARL LEVIN, U.S. SENATOR FROM THE
STATE OF MICHIGAN**

Senator LEVIN. Mr. Chairman and members of the committee, it is a real pleasure for me to be here today to introduce Bill Rosenberg. He is a long time acquaintance of mine. He has had a whole host of jobs in Government and in the private sector which eminently qualify him for this particular position.

He was an innovative and creative Assistant Administrator for Energy Resource Development in the Ford Administration, where he put particular emphasis on alternative energy and on energy conservation. Both of those are going to be critical in attacking the air problems that we now have in this country.

He is also experienced in intergovernmental relations, both because of his work with the Ford Administration and because he was head of the Michigan State Housing Development Authority in the 1970s, where he implemented Federal housing programs in Michigan. He is experienced in the ways of Government, the ways of bureaucracy, and the ways of the regulatory process because he was also, in addition to those other positions, Chairman of the Michigan Public Service Commission, where he gained experience in the regulatory process which is also going to help him in this current position.

He is pragmatic. He is practical. He is a businessman. He is an entrepreneur. He knows that we not only must clean up our air, but that we also must allow our industry to breathe, as well. We have to combine cleaning up our air with economic development. He is a practical person, which we need in that position, because we must do both.

I recommend him to you strongly. He thinks fast. He has a sense of humor, and he roots for the University of Michigan.

Thank you, Mr. Chairman. It is a real pleasure to introduce Bill Rosenberg to the committee.

Senator BURDICK. Thank you very much.
Senator.

**OPENING STATEMENT OF HON. JOHN H. CHAFEE, U.S. SENATOR
FROM THE STATE OF RHODE ISLAND**

Senator CHAFEE. Thank you, Mr. Chairman.

Mr. Rosenberg is the first nominee to EPA to come before us except for Mr. Reilly himself. I think it's appropriate that the first nominee to come up here be the Assistant Administrator for Air and Radiation.

I might say that Mr. Rosenberg is launching into a moving current here. On this committee we have developed clean air legislation; we are working on our fourth bill in eight years, and by this summer we will produce some comprehensive legislation. The Administration has promised to have its bill up sometime in May; that can be the last day in May, but in any event, they are working on it. There are reports that the House could act on legislation before the fall.

So all the key players seem to agree that the Clean Air Act amendments will have three components.

First, provisions to bring all areas into compliance with ozone and carbon monoxide health standards, the so-called "nonattainment" provision.

Second are the measures to control acid rain and provisions to reduce toxic air pollutants.

In the nonattainment area we have regulated most of the big sources of emission, but despite that about half the population of the country still lives in areas that haven't achieved these standards. They are most difficult to achieve, but if we don't take these steps we are going to have continually rising costs on the health side.

I think we have to concentrate on vehicle emissions. We have met 50 percent of urban hydrocarbons, 90 percent of urban carbon monoxide, and almost two-thirds of urban NO_x . I believe that with respect to vehicle emissions, we can look to the State of California, for example, for guidance on the first steps that we ought to take.

We also have to seriously consider control of smaller and more numerous stationary sources, such as—and each one of these is difficult—dry cleaners, paint shops, consumer and commercial products that contain hydrocarbons.

With respect to acid rain, I believe we have to reduce sulphur dioxide emissions by at least 10 million tons from the 1980 level. That's a key point, the level from which we are starting. A nominal reduction of 10 million tons that takes a different base point really ends up as only about 7 million to 8 million tons. I am in favor of flexible economic approaches that will get us to the 10 million ton goal.

I think we do recognize—and perhaps this is a change in the committee—that the cleanup burden is going to fall heavier on some parts of the country than on others. Traditionally the cry has been, "Let the polluter pay." But I think we've recognized that we have to spread the costs and moderate the serious economic dislocations that may affect particular areas.

The third part of the Clean Air Act amendments addresses toxic air pollutants. Members of this committee are about to introduce air toxics legislation that will greatly improve the very poor track record of regulating these pollutants. Senators Durenberger, Lautenberg, and Breaux are the leaders in this area, but the rest of us have been involved.

So we look forward to hearing from you this morning, Mr. Rosenberg. All of us—I speak for myself, but I think also for everybody else—are going to do everything we can do help you in your task because it is a challenging one.

Thank you.

Senator BURDICK. Senator Lautenberg.

OPENING STATEMENT OF HON. FRANK R. LAUTENBERG, U.S. SENATOR FROM THE STATE OF NEW JERSEY

Senator LAUTENBERG. Thank you, Mr. Chairman.

Welcome, Mr. Rosenberg. I'm sorry that Carl Levin left because we wanted to get back and talk about that fateful game in Seattle where the best team came out second best, but we won't discuss

that. Michigan played beautiful basketball; unfortunately our guys did too, but you had the edge. So we will drop it at that.

We welcome you to this committee and look forward to working with you.

I think your experience is unique in the fact that you have served in another major department of government, that you have experience from the energy side. The energy side very often is the creator of environmental problems.

You and I had a lengthy talk yesterday, which I enjoyed very much. I was impressed at your comments about the fact that there are better things that we can do on the energy side without necessarily affecting our economic life or our quality of life. I look forward to that creative thinking being employed in your new assignment.

You know by now—and have known for a long time—that this committee is vitally concerned about the Nation's air and its affect on public health and the environment. The President said some time ago that a new breeze is blowing. We want that breeze to blow air that is safe to breath and protects our environment, and you've been, because of timeliness and importance, nominated for one of the most important jobs in the government. The health and welfare of hundreds of millions of Americans will be in your hands, and the facts speak for themselves.

Over 100 million people in this country live in areas with dirty air. Acid rain and other contaminants pollute our forests, our crops, our lakes, our streams, and our coastal waters. EPA's own 1987 comparative analysis of risks concluded that toxic air pollutants posed a high risk of cancer and noncancer health risks when compared to other sources of pollution.

The emissions of air toxics, they report, may be as high as 10 billion pounds a year. Radon—something I have taken a very active interest in and is now a subject all across the country—is described to be the number two cause of lung cancer—perhaps as many as 20,000 cases each year.

Finally, indoor air pollution—something, again, that I am very interested in—continues to pose a high risk, while EPA exerts relatively little effort on the program.

So, Mr. Rosenberg, you are going to be in the hot seat numerous times. There are tough issues requiring tough decisions. The American people will be counting on you to act to clean up the air.

I, as well as the other members of this committee, are committed to working with you on this effort. We congratulate you on coming here with credentials that look like they'll help you to get confirmed quickly and give you a chance to get to work on this important assignment. We wish you well.

Senator BURDICK. The Senator from Idaho.

OPENING STATEMENT OF HON. STEVE SYMMS, U.S. SENATOR FROM THE STATE OF IDAHO

Senator SYMMS. Thank you very much, Mr. Chairman.

Welcome to the committee, Mr. Rosenberg.

There is little doubt, Mr. Chairman, that the amendments to the Clean Air Act are going to be a principal topic of debate in this

committee this year. I think the President has staked out a firm commitment to the enactment of such legislation, and I know that it goes without saying that the majority on this committee has had this as a priority for several years.

Consequently, I think the position as Assistant Administrator for Air and Radiation is bound to be a critical person in the debate, and being the person specifically assigned to deal with air pollution issues is directly charged with implementing the Clean Air Act. So this office must, by necessity, contribute to the drafting of any amendments to the Clean Air Act if we are to anticipate such amendments being affective, efficient, and workable.

I join with my colleagues in saying that you will have, I think, a very challenging opportunity to make a real contribution to what is going to happen in Washington this year.

I cant' imagine, Mr. Chairman, any person that would be more qualified to take on this difficult responsibility than Bill Rosenberg. Over the course of his career, Bill has Bill Rosenberg. Over the course of his career, Bill has earned a strong reputation for being able to step into difficult jobs, chart a clear course in the midst of chaos, and keep hs sites on new and innovative solutions to languishing problems.

Frankly, I must admit I did not have the privilege to know Bill personally prior to his nomination for this position, but he was no stranger to the Idaho ethanol industry. My constituents approached me with Bill's name for this position shortly after the presidential election, and seldom has anyone been recommended to my office with more fervent praise and hearty support.

So, Mr. Chairman, I'd like to ask that a letter endorsing his nomination for Mr. Jim Glancee, a Boise resident and chairman of the Clean Fuels Development Coalition, be included in the hearing record.

I encourage my colleagues on the committee to lend Bill their support, as well. He's going to need our support and our thoughts, and we're going to need his in the coming six months.

I wish you well. I think that this challenge that you face will be a great opportunity not only for you, but for the country, as well, to come up with some kind of a solution to clean air problems that will still be practical, workable, cost-effective, and not be detrimental to America's competitiveness. I wish you the best.

I ask unanimous consent that this letter be placed in the record. Senator BURDICK. Without objection, so ordered.

[The letter referred to follows:]

CLEAN
FUELS
DEVELOPMENT
COALITION

April 13, 1989

The Honorable Steven Symms
United States Senate
Committee on Environment and Public Works
Washington, D.C. 20510

Dear Senator:

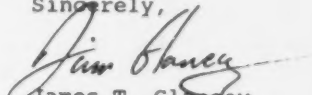
Your longstanding support for alternative fuels, particularly ethanol from American agriculture, is greatly valued by your friends and supporters in Idaho and across the country.

As you know, the environmental benefits of ethanol are becoming an important consideration in its future development. I am writing to you today to once again express our support for the nomination of Mr. William G. Rosenberg for the position of Associate Administrator for Air Quality at the Environmental Protection Agency. Mr. Rosenberg has strongly supported the expanded use of ethanol as a pollution control strategy and would do a great deal to help the ethanol industry.

As Chairman of the Fuel Ethanol Association in Idaho and Chairman of the Clean Fuels Development Coalition (CFDC) in Washington, I have been able to witness firsthand how this support has helped us to continue to develop a viable alternative fuels industry.

I hope you will find it appropriate to endorse Mr. Rosenberg's nomination when the Environment Committee considers his appointment this week.

Sincerely,


James T. Glancey
Chairman

Senator BURDICK. Senator Reid.

**OPENING STATEMENT OF HON. HARRY REID, U.S. SENATOR
FROM THE STATE OF NEVADA**

Senator REID. Thank you, Mr. Chairman.

In reviewing your résumé, it certainly is impressive. You have a good educational background. You have been published. I think what impressed me is that you have been given several opportunities within this Administration to take different positions, and you have chosen this one because, as you indicated when you met with the staff, this is something that you wanted to do—to be the point person for the Administration in the clean air area.

You have had experience in the public utilities field. I think that is important. You have a combination that could really be successful. That, together with the fact that we have Bill Reilly, a person we are focusing attention on because we are expecting a lot out of him due to his background and prior experiences.

I look forward to working with you, expecting from you, as I do Mr. Reilly, great things. We really do have a problem with clean air, among other things, in this country, and you could render a great deal of public service to this country by helping us arrive at a bill that would have lasting impact on the health and safety of the country.

Thank you.

Senator BURDICK. Mr. Breaux.

**OPENING STATEMENT OF HON. JOHN BREAUX, U.S. SENATOR
FROM THE STATE OF LOUISIANA**

Senator BREAUX. Thank you very much, Mr. Chairman.

I have met with the nominee. I was very impressed with him. I think it is a major potential to improve a critically important section of EPA and look forward to working with him. I was impressed with his knowledge.

Although this is not your professional background, your professional credentials are outstanding. I was very impressed with your ability to grasp the details and intricacies of clean air. This will be very challenging, and I look forward to working with you.

Mr. Chairman, on slightly another matter, I would wonder if it would be permissible for me now to ask that, pursuant to rule 2 of the rules of our committee, that we have a slight change in our agenda to allow us to convene a meeting of our Subcommittee on Nuclear Regulation, and would make a motion, pursuant to Rule XXVI Section 5(b) 2, 3, and 4 of the standing rules of the Senate to permit our subcommittee to go into a closed session. I would ask unanimous consent to do that.

Senator BURDICK. Is there objection?

Senator CHAFEE. It is my understanding, Senator, that this all has the complete agreement of Senator Simpson, does it not?

Senator BREAUX. I would say to the Senator that I have discussed it with the ranking minority member of our subcommittee, Senator Simpson, and also with Senator Steve Symms, a member of our committee, and they concur.

Senator CHAFEE. Will Senator Simpson be able to be here? Is he in town?

Senator BREAUX. He is in town, but I think he is meeting with the President right now, but he knows about our request.

Senator CHAFEE. He knows exactly what you're going to do?

Senator BREAUX. Absolutely.

Senator CHAFEE. Senator Symms is in agreement?

Senator SYMMS. Yes.

Senator CHAFEE. No objection, Mr. Chairman.

Senator BURDICK. So agreed.

Senator BREAUX. Thank you, Mr. Chairman.

Senator BURDICK. Now we arrive at the moment when the nominee is going to defend himself.

Senator BREAUX. Mr. Chairman, I have a statement of Senator Warner that he would like inserted in the record.

Senator BURDICK. Without objection, it will be received.

[Senator Warner's statement follows:]

OPENING STATEMENT OF HON. JOHN WARNER, U.S. SENATOR FROM THE
COMMONWEALTH OF VIRGINIA

Thank you, Mr. Chairman. The position at the Environmental Protection Agency for which Mr. Rosenberg has been nominated—Assistant Administrator of Air and Radiation—is very important.

Over the next several months, this Committee faces the tremendous challenge of drafting clean air legislation—legislation which attains good air quality and is fair to all regions of the Nation.

In this endeavor, the Committee will seek the help of the Administration and I am pleased that the President has forwarded the nomination of Mr. Rosenberg to the Senator for consideration. I hope that with the confirmation of Mr. Rosenberg, the Administration will act swiftly to formulate and forward a clean air proposal to the Congress.

I have had the pleasure to meet personally with Mr. Rosenberg. I want to welcome him here today. I look forward to hearing his statement, and I hope for his speedy confirmation.

Senator BURDICK. Mr. Rosenberg, you're on.

STATEMENT OF WILLIAM G. ROSENBERG, NOMINATED TO BE AS-
SISTANT ADMINISTRATOR FOR AIR AND RADIATION, ENVIRON-
MENTAL PROTECTION AGENCY

Mr. ROSENBERG. Thank you, Mr. Chairman, Senator Chafee, and members of the committee.

I would like to read into the record a statement that I prepared yesterday.

I am indeed honored to appear before this committee as the President's nominee to be Assistant Administrator for Air and Radiation at the Environmental Protection Agency. If confirmed, I pledge to work eagerly with this and other committees of the Congress in an effort to resolve important environmental issues confronting our nation.

I am especially grateful to William Reilly, the Administrator of EPA, for selecting me for this post. In the short time since Mr. Reilly has headed the EPA, he has set the tone for a committed agency, dedicated to providing a safe and clean environment for our country.

President Bush's CFC phase-down initiative demonstrates the significant relationship which has developed between Mr. Reilly

and the President. I am indeed honored to be considered to be a member of their team.

Since graduating from Columbia University in 1965 with graduate degrees in law and business, I have pursued a wide-ranging career as a lawyer, state housing director, chairman of a state public utility commission, Federal energy policymaker, business entrepreneur and real estate investor. These assignments focused on various aspects of community life, all of which will be affected by the clean air legislation that will be considered by this committee.

As the first administrator of the Michigan State Housing Development Authority—known as MSHDA—my responsibilities to Governor William Milliken were to establish a delivery system of housing opportunities for low and moderate income families. MSHDA's objectives were to meet basic housing requirements in a quality living environment.

I became executive director when private/public partnerships were emerging as an important element of urban community development programs. The Michigan agency has gone on to successfully finance over \$2 billion of homes, serving 200,000 residents, and has developed a strong record of sound financial management.

At a meeting in the early 1970s with Governor Milliken to present the impact of the then natural gas shortages on low and moderate income housing programs, he surprised me and asked whether I would serve as chairman of the Michigan Public Service Commission. The Commission regulated gas, electric, and telephone utilities, as well as supervised intrastate trucking and oil and natural gas production and pipelines. I confessed to the governor that I had little experience in the utility business, but he assured me that if I knew too much I might not be confirmed by the Michigan Senate. As Yogi Berra said, "Deja vu all over again."

In January, 1973, I was sworn in as chairman and prepared for the task of deciding complex and often arcane utility rate cases. In November of that year, the Arab oil embargo was imposed on our country. PSC hearings became the front lines as the cost of utility service rocketed upwards and the agency was given the additional responsibility to allocate shortages of natural gas and gasoline.

In the face of intense pressure, the Commission sought to balance the financial requirements of companies and their stockholders with the rate shock felt by consumers and business. As rates increased to reflect the higher costs of service, the Commission also instituted a Consumer Bill of Rights to assure fair treatment of consumers. It was the first state commission to explicitly recognize that energy conservation was a proper—indeed obligatory—responsibility of public utilities.

At this time I was appointed to represent the National Association of Regulatory Utility Commissioners on the President's Project Independence Advisory Commission, which was formed to provide guidance after the Arab oil embargo.

My PSC experience illustrated to me the direct impact of national and international energy and environmental issues on the household budgets of Detroit and Ann Arbor.

After Gerald Ford became President, I was selected as Assistant Administrator for Energy Resource Development at the Federal Energy Administration, the predecessor to the Department of

Energy. My task was to identify policies to facilitate energy development as a way to reduce America's dependence on unreliable sources of foreign oil. It became readily apparent that a critical leg of any comprehensive energy policy that could be acceptable to the American people must include provision for strong environmental protection and pollution prevention.

Too often it has been serious environmental failures such as Three Mile Island, the Valdez oil spill, or acid rain from uncontrolled coal power plants that have unfortunately constrained support for needed expansions of domestic production.

If I am confirmed by the Senate for the Air and Radiation post at EPA, I will pursue the development of strong environmental protection as a contribution not only to the public health, but to a national energy policy resting on a solid foundation of public confidence and support.

After the Ford Administration ended, I established an entrepreneurial company which developed and financed apartments and other real estate. In an 11-year period we developed over 6,000 units and financed over \$700 million of properties. I was actively involved in legal, financial, and community development matters.

Initially my company focused on low and moderate income housing programs—especially urban rehabilitation of former schools, hospitals, office buildings, and warehouses in cities like Detroit, Chicago, Toledo, Saginaw, Allentown, Philadelphia, and Alexandria.

Later, as the government phased out subsidized housing, our activities became more focused on conventional development and finance.

My partners and I also established a venture capital company in LaJolla, California, that specialized in start-up ventures utilizing high technologies. These many ventures have given me a practical sense of what drives and constrains the private sector, and a first-hand look at life on the other side of the table from the government regulator.

Because my business career has been directed toward real estate, I have no conflicts of interest regarding the Air and Radiation office at EPA. Reasonable success has made it possible for me to serve in a government position without financial pressure. I am indeed motivated to accept this position solely because of the important public policies which I will be responsible for developing and implementing as Assistant Administrator.

If I am confirmed, my first priority is to work diligently with this committee to carry out President Bush's commitment to the Clean Air Act. Although I can't provide you today with specific details of what the Administration proposal will look like, I can reaffirm what Administrator Reilly has stated: that we plan to propose comprehensive legislation addressing three key issues: nonattainment, acid rain, and air toxics—the same issues that Senator Chafee addressed.

In the area of nonattainment, as you know we have a serious smog or ozone problem in approximately 80 areas of the nation, in which over 130 million people live. To make progress in meeting the health standard for ozone, and another very serious pollutant, carbon monoxide, we will need a renewed commitment to reducing

the emissions which lead to violations of the standards. This commitment will require concerted action at the national, regional, and State levels, with the recognition that federal leadership will be an integral part of any solution.

When the Clean Air Act was originally passed in 1970, and in amendments thereafter, deadlines for achieving the health standard had to be extended and extended again. As we go forward, we must learn from this history and be prepared to strike out in new directions to succeed in achieving clean air goals.

On acid rain, the President has indicated that he believes it is time to take action to reduce power plant emissions which contribute to acid rain. The Administration is actively considering questions with which you are all familiar: How big a reduction is necessary; over what period of time should it be achieved; and who should bear the costs of achieving those reductions.

In connection with air toxics, it is clear that provisions of the current law have failed to accomplish their purpose of protecting citizens from hazardous air emissions. The fact that only eight standards have been issued in 19 years is ample testimony to the need to amend section 112 of the Act. I believe it is essential to devise a speedier means of reducing toxic emissions, including a regulatory system which will be less dependent on time-consuming analysis that form the basis for years of litigation. In this area particularly we need environmental protection earlier, rather than more litigation and delay.

While I cannot speak to the substance of any Administration proposals that may emerge, I can tell you a bit about the process of developing that proposal.

As you are aware, the Administration has been meeting with Members of Congress. At the same time, discussions within the Administration are active on the knotty questions which arise in each area. The schedule calls for presenting a detailed proposal in legislation in May and meeting with you and your staffs as soon as possible in order to address together these same questions.

There are several other issues which I plan to explore fully if I am confirmed. Senator Lautenberg, these include the ones that you just mentioned. They include: indoor air pollution, radon exposure, stratospheric ozone depletion, and global warming, just to name a few. I look forward to learning more about each of these problems so that I may become actively involved in proposing some solutions.

In seeking innovative approaches to both the traditional air pollution problems and the ones which have recently emerged and are likely to emerge in the future, I will be assisted at EPA by an able, dedicated, and highly motivated staff. I look forward to the opportunity to work closely with this experienced crew, as well as with the staff of the congressional committees.

This leads me to one point that I do wish to emphasize: I hope to have frequent and open discussions with you and your staffs on a wide variety of issues. I believe that such meetings are crucial to the development of clean air legislation, to move beyond the stalemate of the past, and craft a compromise with which all parties can agree and support.

Beyond that, however, I hope to have a close working relationship with you on the multiplicity of issues that are sure to arise over the next several years.

I recognize that the policies developed in Washington, DC, are only as effective as their implementation in the communities around the country. I expect to stay in close touch with EPA regional offices and state and local authorities to assure consistent and fair implementation of EPA regulatory programs, on the one hand, and, on the other, to assure that EPA is responsive to the legitimate concerns of business and citizens.

My door will always be open to environmental advocates who have contributed so much intellectual leadership and grass roots awareness to the nation's efforts to establish a healthful environment.

Thank you, Mr. Chairman, for giving me this opportunity to appear before this committee. I look forward to meeting the challenges of this position, and I would be happy to respond to any inquiries the committee may have.

Senator BURDICK. Thank you.

Mr. Baucus from the great State of Montana has entered the hearing room. Do you have any questions?

Mr. BAUCUS. Mr. Chairman, I don't have a statement, but at the appropriate time I will have some questions.

Senator BURDICK. Fine.

Do you know of any matters which you may or may not have disclosed which might pose a conflict of interest if you are confirmed in this position?

Mr. ROSENBERG. I do not, sir.

Senator BURDICK. Do you believe it is important to balance energy concerns and environmental concerns? If so, how do you balance your need for electricity, cars, and materials against clean air? How do we get from here to there.

Mr. ROSENBERG. That's what we're going to debate, I think, for the next period of time.

I think the answer to the question is that I believe we have to do both, as I said in my statement. As Senator Lautenberg indicated, much of the environmental problem comes from the use and employment of energy. Of course, that is also necessary to sustain our economy and our standard of living. What we need to do is figure out ways to do it cleanly and safely if we are going to do it with the support of the American people.

As the use of energy increases, as our economy expands, it becomes even more critical to focus on these questions.

Senator BURDICK. Do you believe that States such as North Dakota, with scrubbed powerplants should get credit for their past clean air efforts?

Mr. ROSENBERG. I do, indeed. I think that North Dakota is to be commended for its approaches to its electric generation. The acid rain discussion, of course, relates to those plants that really have not met those standards. We need to determine a fair and equitable way to bring those facilities up to current standards.

Senator BURDICK. Since Canadian electric utilities serve many customers in the United States, do you think it is fair for Canadian

utilities not to meet emission standards similar to those in the United States?

Mr. ROSENBERG. I think that we need to approach the Clean Air Act principally from the point of view of what is important to our citizens and our health. We also are aware of the interest of the Canadians and, although I haven't really gotten into what they have proposed for their utilities, I hope that they would take the same actions that they are asking us to take.

Senator BURDICK. The testimony that we have received in the past indicates that there are no scrubbers of any kind in Canada, whereas in many of our western States we scrub very well. Is there any way we can get the Canadians to move a little faster on this?

Mr. ROSENBERG. I believe that the—although I'm not really an expert in this area—that in the Ontario hydro facilities they have developed a plan to reduce emissions. I'm not aware whether that plan specifically calls for scrubbers or not, but I would take a look at that, sir.

Senator BURDICK. I wish you would.

How do you suggest that we convey the importance of this issue to Canada as part of the larger acid rain debate between the two countries? I think you have partially answered that, but do you want to add anything else?

Senator BURDICK. Now, this is a difficult one: what relevant experience makes you qualified for this position?

Mr. ROSENBERG. I hope energy, and some experience in a lot of areas. I'm not an expert in the Clean Air Act. I have spent the last two months as a consultant to the EPA, and it has been a very illuminating period. I do hope to work hard with the committee and members to focus on these questions from a policy point of view and to assure that we have proper staff work on the science and on the economies so that the committee and the Administration can properly consider all the ramifications. I think my job is to really be an administrator to assure that all that data is available to all of us to consider the questions, and I look forward to doing that.

Senator BURDICK. Senator Chafee.

Senator CHAFEE. Thank you, Mr. Chairman.

Mr. Rosenberg, are you prepared, at the request of this committee, to appear in front of us as a witness?

Mr. ROSENBERG. Yes, sir.

Senator CHAFEE. I'd like to just discuss this volatility business that contributes to the ozone problem. In the northeast, my State and several of the other States are asking the gasoline companies to come forward with a lower volatility of the gasoline sold within their borders, which would be a big step in reducing the hydrocarbon emissions, and thus the contribution to ozone. They have submitted this in their plans to EPA, and the EPA hasn't yet acted, and I would hope they would so that those requirements and regulations can go into effect and the new type of gasoline will be sold this summer. Do you have any knowledge at all of this area?

Mr. ROSENBERG. Senator, I don't want to comment on specific regulatory matters, but I do know that Bill Reilly is actively considering this matter, and it is a high agenda issue that will be dealt with very quickly.

Senator CHAFEE. There is a plus and a minus in every one of these things. The down side apparently is that the gasoline companies don't think they can get into gear. As I understand, the way they lower the volatility is to take out some of the substances and add some to come up with a gasoline with the lower volatility, which has an increased cost of perhaps a cent to three cents per gallon. One of the objections is that they can't get geared up to produce it.

On the other hand, the State Governors have gone out on the limb and asked that it be done, which indicates that they are prepared to take the heat if there are long gas lines this summer because of shortages of supply, which speaks well of their confidence in the companies being able to do this.

Anyway, I hope you and Mr. Reilly would pay some attention to that matter because it is helpful.

You're very interested in alternative fuels as a way of reducing vehicle emissions. If we started right now on the alternative fuels approach, it would be several years before these fuels would be ready; am I not correct on that?

Mr. ROSENBERG. Senator, you are correct in part and in part I think it really depends on how you define alternative fuels.

Typically, they go in two areas: one, the oxygenated fuels, which are really additives to existing gasoline to be used in existing vehicles—ethanol, MTBE, ETBE, and the like. Those fuels have—basically eight percent of all the gasoline sold in America today is ten percent ethanol. And about 30 percent of the fuel sold today has some amount of these oxygenated blends. In the City of Denver, particularly, for the last two or three years there has been an extensive employment of oxygenated fuels to handle the carbon monoxide problem.

So when it comes to oxygenated fuels, that is fully demonstrated and, if the Congress and the President were to agree for a short time frame for implementation of broader use of oxygenated fuels, that could be done immediately and would apply to all existing cars.

The other discussion really relates more to the ozone rather than the carbon monoxide problem, and that relates to what are generally called neat fuels, which might be compressed natural gas, methanol, electricity—and there you're talking about a longer-term effort to get the fuels available to the public, because we're talking about alternatives to what would be considered blended gasolines, and, second, to make sure that the vehicles are capable of employing those fuels. So that would be a longer-term program.

I think both the oxygenated fuel issue and the neat fuel issue are lumped together under the discussion of alternative fuels.

Senator CHAFEE. But part of this is going to take a while to achieve, right?

Mr. ROSENBERG. Yes, sir.

Senator CHAFEE. The second part, the non-oxygenated?

Mr. ROSENBERG. That's correct.

Senator CHAFEE. My point is that even though that is a way to go, obviously we have got to continue to look at lower emissions from gasoline-powered vehicles. In that case, I would hope we could all pay a lot of attention to what is taking place in California. As

best I can understand it, they are already doing some of these things. I like to call it the "Nation of California." I don't know how many automobiles they've got out there, but it is incredible. I think it is 10 percent of the vehicles in the country. So they are able to force Detroit to meet their levels. It behooves us all, I think, to pay attention to what is happening in California.

Thank you Mr. Chairman.

Senator BURDICK. Senator Lautenberg.

Senator LAUTENBERG. Thank you, Mr. Chairman.

Mr. Rosenberg, just as an aside, if I had known that you were a Columbia University graduate, we wouldn't have had to hold this hearing.

I also went to the Columbia Business School.

On Wednesday, EPA released section 313 data, and I assume that you have had a chance to at least note it, if you haven't had a chance to study it. It showed startling amounts of materials described as pollutants being emitted, air, water, ground—but air pollutants, in particular—and this is fairly fresh data—almost three billion pounds are being emitted.

Are you familiar generally with this?

Mr. ROSENBERG. I'm familiar with the report.

Senator LAUTENBERG. Do you see a value in this data? Remember, now, this is the first release of information since the enactment of SARA and the right to know section of that legislation. Do you see value to this data in terms of developing an air toxics program?

Mr. ROSENBERG. Yes, indeed. I think it has pointed out not only to the public and to the government, but to the industries, themselves, the scope of the problems that they face. I think, as a result of that, that they are taking a hard look and we have to take a hard look at what to do.

As I indicated in my testimony, there is probably nothing that needs fixing more than the way in which we regulate. We have dozens and dozens of people spending millions of dollars preparing for lawsuits, preparing regulations that get litigated, doing everything other than assuring that pollution protection is put in place in the streets and in the communities and at the factories of our country.

I think there is one area that has a very broad consensus, and that is the need to look at a much better way of approaching these air toxic emissions so that in a reasonably short period of time we can get at most of the problem. I believe that this committee has taken a lot of leadership in this area. The Administration is looking at last year's bill and your draft bill, as well as material from the House and from the EPA staff, to kind of really focus in on the question. I think the debate is not whether we should act, but how we should do it.

Senator LAUTENBERG. The record will reflect your comment, Mr. Rosenberg, "In a reasonably short period of time we should get at this problem." We certainly do share in that commitment.

EPA has a data base of accidents resulting from accidental releases of chemicals. This data base includes events from 1980 to 1985. It showed that there were almost 7,000 chemical accidents that resulted in 138 deaths, 4,700 injuries, and evacuations of more

than 217,000 people. This certainly triggers an alarm, as well, as the data we have just discussed. Does this tell you that we have to get more aggressive on these chemical accidents and try to stop them? What might the Administration air toxics' bill do to address chemical accidents?

Mr. ROSENBERG. Senator, that is a very serious problem. I'm not sure I know the answer or what the Administration would propose. I believe that there is a review going on to see whether the current authority that exists could be exercised in a way that properly handles that problem or whether there needs to be new authority. I just don't know. I know that is one of the items on our list of considerations.

Senator LAUTENBERG. We might be talking about enforcement, we might be talking about penalties. There is a whole series of things that is connected with current law that does not get enough attention. I assume that your input will be active and fairly aggressive in terms of developing that focus there, as well as on the clean air situation, generally.

My subcommittee has scheduled a hearing on indoor air legislation to be held May 3. Mr. Reilly has called indoor air pollution a serious problem. That's not being addressed by current programs. Have you talked to Bill Reilly about indoor air pollution at all? Do you have any thoughts on programs that we might have to look at to address the problem?

Mr. ROSENBERG. He has asked me to look into that, and I will. I will be helping him prepare the testimony before your committee, and I'm sure that that will stimulate a lot of serious thought on the subject.

Senator LAUTENBERG. My time is up.

Mr. Chairman, are you going to go around again?

Senator BURDICK. We'll go around as long as you wish to stay here.

Senator LAUTENBERG. It has taken a lot longer time than I had expected. Thank you.

Senator BURDICK. Senator Baucus.

Senator BAUCUS. Thank you, Mr. Chairman.

Mr. Rosenberg, you have a reputation of being a man of high integrity, open mind, hard working, industrious—

Senator CHAFEE. Trustworthy, loyal, helpful, friendly, courteous—

Senator BAUCUS. I always knew John was a Boy Scout. That's the Boy Scout creed, isn't it?

Senator CHAFEE. That's right.

Senator BAUCUS. What I'm getting at is this: in addition to all those qualities you do not have a background of spending your time day in and day out working on clean air issues. I'm just curious as to what you have learned this far and what your general impressions are as someone with all those qualities but who comes to this fresh.

We have a very major task ahead of us—you and this committee together—to craft a clean air bill. I'm just curious again, from your perspective coming to this with some fresh perspective, what you see and what you care to share with us and how we approach a mutual solution.

Mr. ROSENBERG. I'd say that I feel very fortunate to be offered the opportunity to have this job, because this is the right—from my perspective, a wonderful job at the right time. There is an overwhelming consensus at the Congress on both sides to take action. There is a lot of work that has been done by your subcommittee and this committee over the last eight years to prepare the analysis and the options and the policies and to identify the opportunities.

I think, at the same time, the Administration is taking a very strong posture that they want to proceed in this area, as well.

So although someone in my position has to come out of the box moving pretty quickly, it is a great opportunity. My sense is that this is the year for action, and that the problem will be to further narrow the consensus to action.

I am very impressed by the bipartisan support, by the fact that even industrial groups that may have traditionally opposed action in this area are now coming in and talking about the need for action but that is sensitive to their needs, as opposed to the fact that there isn't the need for these various bills.

Senator BAUCUS. That last point is a very important one. I think this year, because the Administration wants the bill and Congress does, the general recognition around the country is that there will be a clean air bill this Congress; consequently, many organizations are trying to work together to fashion the bill rather than stonewalling and stopping and delaying. That is a very different dynamic, and it is very important.

I also urge you to continue this not only bipartisanship, but the mutual work on both ends of Pennsylvania Avenue. Do we have your assurance again that you will work with this committee in drafting the bill so we can share together the provisions of the bill rather than the Administration just dropping the bill on the Congress?

Mr. ROSENBERG. Indeed. I think what is happening now is that the Administration is sort of catching up to where you people are in terms of understanding the specifics and the issues involved. As you know, there has been a very strong commitment on the part of many departments and many members of the President's senior staff to spending the time with the Congress and in their own study sessions to understand the full scope, to be able to brief the President. I think that, too, is new and improved in the sense that there is a commitment on the Executive side to comprehend the history that this committee has generated and to seek a conciliatory approach to the problem.

Senator BAUCUS. Let me ask about alternate fuels. You are interested in alternate fuels and made a good point about the value of alternate fuels, but also that it takes time and there are some problems in relying too much on alternative fuels. Can you give me a word or two about the degree to which, in your judgment, methanol has some adverse effects; namely, nitrogen oxide and formaldehyde.

Mr. ROSENBERG. At this point I can say that we are trying to raise all the questions relating to the pros and cons and the various questions relating to air toxics for methanol fuels compared, of

course, to the air toxics that exist for what we would call the usual blends of gasoline, which have their own problems.

We are attempting to kind of quantify and analyze the health data. Apparently there was a major study done on the methanol side from the Health Effects Institute in Cambridge that I became aware of in the last few days that we are having some briefings on.

I would say, at this point, that we are looking at alternative fuels as a possible part of the solution. There has been no decision made on that issue. The analysis must be along a health line, an environmental line, and an economic line. That is going forward, but is not completed in any way.

Senator BAUCUS. One quick question: a year ago last April the EPA published a one-hour SO₂ national ambient air quality standard asking for comment. I'm just curious when you expect final action on that. I ask that question also because of health side effects of SO₂ as it affects asthmatics. An asthmatic woman in Billings, Montana, died because of a high emission of SO₂.

My time is up, but maybe just one or two very short sentences.

Mr. ROSENBERG. I'll look into it, Senator. I don't really know where that stands.

One of the first things I do want to do if I am confirmed is to get a list of all the pending regulations and what is happening with them and maybe have a meeting with the senior people at OMB to kind of take up all the things that have been put on the table. I believe that is one of them, but I have not specifically looked at that regulation yet.

Senator BAUCUS. Thank you.

Thank you, Mr. Chairman.

Senator BURDICK. When will your clean air bill be ready to put in the hopper?

Mr. ROSENBERG. The President's bill? I hope that we will have it in May. That's the schedule. That's the commitment that I'm operating under in terms of doing the staff work. Of course, the decision has to be made by the President, but I would hope that we would complete our point, start moving toward option analysis for the President to be considered as soon as possible. But the schedule that I have seen laid out by the Domestic Policy Council is some time in mid May.

Senator BURDICK. That could be the 30th.

Mr. ROSENBERG. I can't say, sir. Does May have 31 days.

Senator BURDICK. That's right.

That will give you one more day.

The Senator from Rhode Island.

Senator CHAFEE. Mr. Chairman, two things. One, if the committee seems to approve of Mr. Rosenberg, I would hope that we could do everything we could to get him through before we go out this week. If we do that, we'd really have to move. Certainly, speaking on this side, we'd do everything we could to help you get people together.

Secondly, Mr. Rosenberg, on the radon legislation last year we got the cooperation of the Administration and we got some pretty good legislation. This touches on the question that Senator Lautenberg asked. Senator Mitchell and I have put together some pretty

comprehensive legislation dealing with indoor air quality. We hope we could work with you on that.

Mr. ROSENBERG. Yes, sir.

Senator CHAFEE. On the radon legislation, not much has happened. I hope you take some time to implement that program and give it a push.

Mr. ROSENBERG. I will, sir. I have had a few briefings on the matter. I have been very impressed by the people who are running that program and their commitment, their knowledge, what they have done with few resources. There are additional resources in the 1990 budget that are important to secure, and I believe that they have got a lot of good plans in that area.

And, of course, we will review it for the next budget, because the original 1990 budget was put together before the legislation was enacted in terms of the budget planning, but we're going to give that a high priority this time around because I think you are absolutely correct.

I think it was Senator Lautenberg that said that more people are affected by cancer from this pollutant than any other we know of, with the exception, I guess, of smoking cigarettes. So certainly, by any measure of cost effectiveness and government resources and results, calling people's attention to the issues of radon exposure and the ability to test and to resolve some of those conflicting problems is an excellent government program.

Senator CHAFEE. Mr. Rosenberg, I have some questions from Senator Simpson, if you'd be good enough to respond to these in writing.

Mr. ROSENBERG. I would be happy to. (See p. 43.)

Senator CHAFEE. Thank you, Mr. Chairman.

Senator BURDICK. I don't know if you've got the direct authority, but I'd like to at least mention acid rain. I mentioned the fact that there are no scrubbers in Canada. This may be a State Department matter. We're up there on the border of North Dakota and Canada, and our powerplants are well scrubbed. This stuff comes from the prevailing winds. How are we ever going to get Canada to agree to do something about it? Do you have any input on that?

Mr. ROSENBERG. I will look into it. I haven't really thought about it. I know the Canadians are very interested in what we do, and I think it is appropriate for us to discuss what they do as part of that negotiation.

Senator BURDICK. I'm talking about what they didn't do or haven't done. I know they are very interested, but they don't do anything. Anyway, keep that in the back of your mind if you get any chance to help us out. Those prevailing winds come down from Canada and bring all this stuff with it. We spend millions of dollars cleaning up our powerplants, but the air still gets dirty.

Senator Lautenberg.

Senator LAUTENBERG. Mr. Rosenberg, I have a few questions and an observation I would like to share with you.

Senator Chafee asked you about the radon gas legislation and the report that was supposed to be in our hands last fall on progress with indoor air programs. Do you know what the status of that report is?

Mr. ROSENBERG. I don't, Senator, but I will look into it for you.

Senator LAUTENBERG. All right. Please do. I'd like to see that before the May 3d hearing that we are planning, and obviously we hope that the recommendations by the Administration for addressing the indoor air pollution problems will be available to us at that May 3d hearing.

On the question of nonattainment, you know New Jersey has been very aggressive in addressing its ozone nonattainment programs. We can't ever achieve the attainment levels that we'd like as long as other States are exporting their air pollution into my State. Have you yet thought about addressing the air transport problem and what we might do about it?

Mr. ROSENBERG. That is one of the issues that is on the table for the Administration to consider as part of its nonattainment provisions. We are looking at it and talking about it, reviewing the data, and, after all, that is what acid rain is—a transport problem. It is something that was not inherently focused in the Clean Air Act when it was first adopted with the emphasis on ambient air quality, but it is something that has been pointed out by many as a very serious problem. I think we will seek solutions.

Senator LAUTENBERG. The problem is that, once again, New Jersey and several other States have been working very hard to get the powerplants to conform and to try to reduce auto emission problems, and we're going to have to pay a penalty for nonattainment, even though the cause doesn't necessarily lie exclusively with us. So you'll obviously be looking at lots of things in these next weeks.

Mr. ROSENBERG. Senator, along those lines, I think this is one of the areas that most people agree on: there is a need for better monitoring data, better science in this whole area, that we think should be addressed in any Clean Air Act proposal so that we know where things are coming from and what is causing problems and when they are caused by various changes in weather, as well as activities.

I'm not a scientist, but it is clear from our scientists that there is a need for better information and better inventories of what is going on and what causes the problem.

Senator LAUTENBERG. New Jersey and other northeastern States have established the nine pound per square inch limit on volatility of gasoline during the warm months. A couple of weeks ago Bill Reilly issued a 10.5 pound per square inch standard. What happens now with petitions between New Jersey and other States to allow the States to adopt tougher volatility standards and not to have them preempted by a Federal standard that is weaker than that which the Governor and the people in the given State would like to have?

Mr. ROSENBERG. Well, as I mentioned to Senator Chafee, this is being actively considered by Bill Reilly and I think will be resolved soon.

Senator LAUTENBERG. We've talked about the inability of the gasoline companies to comply. New Jersey obviously feels that they can get compliance. That is a formalized program.

Mr. ROSENBERG. We're kind of in the blush of victory here. President Bush was popularly elected overwhelmingly. He came in with a commitment to a better, cleaner environment. Thus far I'd have

to tell you—and while this isn't your responsibility totally—it has been disappointing for me and some others to see the budget requests that accompanied that mission. Obviously we can't do more with less. So the antennae is up a little bit. When we talk about a commitment to a Clean Air Act by the Administration, people are concerned about whether we're talking about the kind of clean air legislation that is envisioned by many of us.

We don't want to put companies out of business, we don't want to lose jobs. It is my belief—and I, too, come from the business sector, as you do—that there is a degree of, if not compatibility, certainly livability that can be achieved in terms of good clean air legislation, reducing the pollutants, reducing the health risks to our citizens, and, at the same time, to have our companies remain competitive, to have jobs continue to exist.

You saw a court decision recently handed down—I think it was by an appeals court—that economic hardship alone was not a sufficient reason for a company not to comply with environmental laws. That was a bit startling, I think, to a lot of people because essentially my interpretation of that decision is that if it puts you out of business, it puts you out of business, but you have to comply first with the requirements for a cleaner environment.

Senator Baucus asked you a question that I thought was very interesting, and that was, "You're here with a fresh look. You're obviously a man who has learned, a man of varied experience." Frankly, I think that freshness is an opportunity. I think the experiences that you have had in various parts of government—building, energy, regulations, utility regulation—all these things I think have prepared you exceptionally well for this task. But I want you to be aware of the fact that you're going to be somewhere, I think, in the middle.

We're going to be—and I speak for myself—making demands on EPA and the Administration to help deliver a product that is the best available. I use that language because we talked about that in some of the proposals that we have seen in terms of technology, in terms of pollution, reduction, etc.

I hope that we will be able to persuade you that the advocacy toward the well-being of the community of the citizens of our country is the paramount issue.

You noted in your comments that it was apparent that the Administration and the Congress both felt the need to get something done. What transcends that, Bill, is the public's concern and anxiety and desire to get something done. It is overwhelming. It is the number one issue today, other than war and peace. The environment is something that everybody wants to see cleaner and dealt with, and they're willing to pay for it.

I hope we will take that as our mandate. That will be the driving force.

I know it is not going to be easy because you are here by dint of your relationship with the President. We respect that. We respect the President's choice in this case. In many cases we have supported his choices completely.

I just want to leave you with that thought as the honeymoon period kind of winds down. You're going to get confirmed overwhelmingly. There's not going to be a problem unless there is

something that we don't know. Your job is going to be a tough one. We look forward to working with you. I hope that you'll take my little admonition not as criticism, but rather as an inducement to get the job done.

Thank you.

Mr. ROSENBERG. Thank you, Senator. May I respond to one point you mentioned—it was not your principal point, but it did bring to mind one issue, which is the lawsuits.

Because of the expiration of the authorities under the Clean Air Act, which expired in 1987, and the inability of that to be resolved, there are a whole host of other problems that is going to cause which are very serious.

I think we get into testimony on the bills—it became very clear to me when I looked at matters that if the Congress and the President cannot get together on clean air legislation that they both can support, that has a whole series of consequences that nobody really anticipates. For example, EPA is under order to make some decisions in the air toxics area under rules that many of the staff have argued—and I haven't really gotten into it directly—could close down sources that, if we had more discretion and if we were focusing on technology improvements and getting a sensible approach in place initially, we would not seek to close down.

I don't want to mention any areas, because I don't want to create fears, but that is the scope of the inquiry. There is an ambiguity as to whether we have the ability to require and enforce existing and future state implementation plans because of the ambiguity as to the reauthorization. There are a bunch of lawyers giving opinions. I believe the OMB has referred that question to the Department of Justice because there is enough ambiguity.

There are FIPS—Federal Implementation Plans—that, under court order, may have to be started in 1989 in Chicago and Los Angeles and a few other places that would require, under existing law, some implementation of policies that nobody here would believe would be sensible if we had a choice.

So I think that overlying not only the need to proceed forward and lay out a 10- or 20-year road map—after all, the last time the Clean Air Act was comprehensively reviewed like it is now being reviewed was when it started almost—there are some very serious legal problems if we together fail to come to some conclusions, will embarrass, I believe, all parties and result in economic dislocation of the kind you mentioned.

One of the first things I do want to do is get a handle on that question, because I think that is something that would be useful to brief the committee on.

Senator CHAFEE. I'd just like to make one point if I might, Mr. Rosenberg, and that is: I hope that you will come to this committee when you've got challenges or problems that you think should be changed. Maybe we won't agree with you, but I think a great mistake would be to believe everybody in your Department who says Congress will never do such and such.

I'd like to give you a little illustration. I was in a similar position to yours not long ago. We wanted to change something, but the word came back that Senator Stennis would never consent to that.

And so we struggled along. Finally I said, "I think I'll go ask Senator Stennis, myself." At the time, I was Secretary of the Navy.

I went up and asked Senator Stennis about this. First of all, he had never heard that he disapproved of it. It wasn't he that was disapproving, it was that unknown fellow, "They." Senator Stennis said, "Of course. Go ahead. That makes complete sense." And so we did this.

But I would hope that you wouldn't advance in the assumption that this committee is dead set against one thing or another and if you look at it and through your common sense you think a change should be made, try us. Again, maybe we won't agree, but we certainly will not have a chance to consider it unless you bring these challenges and difficulties before us.

We are here as allies of yours. It is not a confrontational thing between you and this committee.

Thank you, Mr. Chairman.

Senator BURDICK. Anybody else have a closing remark?

[No response.]

Senator BURDICK. On behalf of the committee, Mr. Rosenberg, I want to thank you for your testimony. If confirmed, I expect you to talk regularly to those of us in Congress charged with the responsibility of authorizing a Clean Air Act.

I'm convinced that good communication will help resolve many clean air issues. I look forward to working with you in the years ahead.

The record will remain open for two weeks for those who wish to submit statements.

Senators wishing to pose additional questions to Mr. Rosenberg for the record will have until 5:00 today to do so.

Mr. Rosenberg, if your responses to additional questions are timely, it is possible that the committee can act on your nomination as early as next Tuesday.

Thank you for your appearance.

The meeting of the committee is adjourned.

[Whereupon, at 10:55 a.m., the committee was adjourned.]

[Responses to a committee questionnaire and additional questions follows:]

UNITED STATES SENATE
 COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS
 STATEMENT FOR COMPLETION BY PRESIDENTIAL NOMINEES

Name ROSENBERG William Geber
(Last) (First) (Middle)
 Position to which nominated Assistant Administrator for Air & Radiation -- U.S.E.P.A. Date of Nomination _____

Date of birth 12-25-40 Place of birth New York City
(Day) (Month) (Year)

Marital status Married Full name of spouse Marybeth Koeze Rosenberg

Name and ages of children

<u>Seth Mitchell Rosenberg</u>	<u>20</u>
<u>Laurence Joseph Rosenberg</u>	<u>19</u>
<u>Gabrielle' Beth Rosenberg</u>	<u>18</u>

Education	Institution	Dates attended	Degrees received	Dates of degrees
	<u>Syracuse University</u>	<u>1957-1961</u>	<u>BA</u>	<u>June 1961</u>
	<u>Columbia University School of Law</u>	<u>1961-1965</u>	<u>JD</u>	<u>June 1965</u>
	<u>Columbia University Graduate School of Bus.</u>	<u>1962-1965</u>	<u>MBA</u>	<u>June 1965</u>
	_____	_____	_____	_____
	_____	_____	_____	_____

Employment record

List all positions held since college, including the title and description of job, name of employer, location, and dates. If you were terminated involuntarily from any position(s), please note the circumstances.

Associate Attorney, Honigman, Miller, Schwartz and Cohn

Detroit, Michigan (August 1965 - March 1969)

Deputy Director, Michigan Department of Commerce, Lansing, Michigan

(March 1969 - October 1969)

Employment record—Continued

Executive Director, Michigan State Housing Development Authority
 Lansing, Michigan (October 1969 - January 1975)
 Chairman, Michigan Public Service Commission
 Lansing, Michigan (January 1973 - August 1975)
 Assistant Administrator, Federal Energy Administration
 Washington, D.C. (October 1975 - March 1977)
 Partner, Rosenberg, Freeman and Associates
 Washington, D.C. and Ann Arbor, Michigan (April 1977 - April 1982)
 Vice Chairman, The Investment Group Capitol Corporation
 Ann Arbor, Michigan and Washington, D.C. (April 1982 - June 1988)
 Chairman, The Investment Group
 Washington, D.C. and Ann Arbor, Michigan (January 1988 - January 1989)

Honors and
awards

List significant scholarships, fellowships, honorary degrees, military medals,
 honorary society memberships, and any other special recognitions for outstanding
 service or achievement.

Syracuse University -- Cum Laude Honors

Memberships:

List significant memberships and offices held in professional, fraternal, business,
 scholarly, civic, charitable and other organizations.

Organization	Office held (if any)	Dates
Michigan Strategic Fund	Trustee	87/88

Qualifications:

State fully your qualifications to serve in the position to which you have been named. I previously served in a senior policy position at a state public utility commission and at the Federal Energy Administration in the period of the Arab Oil Embargo. Energy and utility issues are integrally related to environmental issues. For several years, I participated in the national debate on alternative fuels, a key clean air issue. I have practical experience in financial and community development matters and have administered substantial staffs and resources in both private and public roles. A successful business career as a real estate and business entrepreneur, has created a level of financial independence which allows me to concentrate on public service without regard to personal compensation.

Future employment relationships:

1. Indicate whether you will sever all connections with your present employer, business firm, association or organization if you are confirmed by the Senate.

Yes, I have resigned, effective March 1, 1989

2. As far as can be foreseen, state whether you have any plans after completing government service to resume employment, affiliation or practice with your current or any previous employer, business firm, association or organization.

No

3. Has anybody made a commitment to you for a job after you leave government?

No

4. (a) If you have been appointed for a fixed term, do you expect to serve the full term?

(b) If you have been appointed for an indefinite term, do you have any known limitations on your willingness or ability to serve for the foreseeable future?

No

(c) If you have previously held any Schedule C or other appointive position in the Executive branch, irrespective of whether the position required Congressional confirmation, please state the circumstances of your departure and its timing.

President Carter became President, I agreed to stay for a transition period and then resigned.

Financial
Statement.

1. Attach a copy of your Executive Personnel Financial Disclosure Report (SF 278).
2. List sources, amounts and dates of all anticipated receipts from deferred income arrangements, stock options, uncompleted contracts and other future benefits which you expect to derive from previous business relationships, professional services and firm memberships or from former employers, clients, and customers. Amounts should be indicated by the categories established for reporting income on Form SF 278, Schedule A.

I have no arrangements for any compensation to be paid. I would expect to receive my share of partnership distribution.

3. Are any assets pledged? (Add schedule)

See listed debt on form

4. Are you currently a party to any legal action?

I am not aware of any legal action pending

5. Have you filed a Federal income tax return for each of the last 10 years? If not, please explain the circumstances.

Yes

- 6 Has the Internal Revenue Service ever audited your Federal tax return? If so, what resulted from the audit?

No

- Potential conflicts of interest 1 Describe any financial or deferred compensation agreements or other continuing dealings with business associates, clients or customers who will be affected by policies which you will influence in the position to which you have been nominated.

None

- 2 List any investments, obligations, liabilities, or other relationships which might involve potential conflicts of interest, or the appearance of conflicts of interest, with the position to which you have been nominated.

None

- 3 Describe any business relationship, dealing or financial transaction (other than taxpaying) which you have had during the last 10 years with the Federal Government, whether for yourself or relatives, on behalf of a client, or acting as an agent, that might in any way constitute or result in a possible conflict of interest, or an appearance of conflict of interest, with the position to which you have been nominated.

None

- 4 Explain how you will resolve any potential conflict of interest, or appearance of a conflict of interest, that may be disclosed by your responses to the above items.

If a potential conflict should arise, I would discuss it with the ethics officer and follow his advice, including recusing myself as appropriate.

5. Explain how you will comply with conflict of interest laws and regulations applicable to the position for which you have been nominated. Attach a statement from the appropriate agency official indicating what those laws and regulations are and how you will comply with them. For this purpose, you may utilize a statement by the relevant agency Ethics Officer.

I will follow the letter and spirit of all applicable laws and

regulations. Whenever I have any doubts of applicability or

interpretation, I will consult the ethics officer (see attached

guidance).

Political affiliation and activities List all memberships and offices held in, or financial contributions (in excess of \$1,000), and services rendered to any political party or election committee during the last 10 years.

None

Published writings:

List the titles, publishers and dates of any books, articles, or reports you have written. (Please list first any publications and/or speeches that involve environmental or related matters.)

See (*) for environmental involved and related matters.

Additional
Matters

- 1 If there is any additional information which you believe may be pertinent to the Members of the Committee in reaching their decisions, you may include that here.

None

- 2 Do you agree to appear before all Congressional Committees which seek your testimony?

Yes

- 3 Having completed this form, are there any additional questions which you believe the Committee should ask of future nominees?

None

AFFIDAVIT

William G. Rosenberg ss, being duly sworn, hereby states that he/she has read and signed the foregoing Statement for Completion by Presidential Nominees including the Financial Statement and that the information provided therein is, to the best of his/her knowledge and belief, current, accurate, and complete.

Subscribed and sworn before me this 6th day of April, 1989

Rosanna L. Tucker, Washington, DC
Notary Public

My commission expires 6/30/89

DECEMBER 16, 1988 11:11am Page 1

ATTACHMENT 13

1/5/1
 01335812 DATABASE: NNI File 111
 To conserve by recapturing 'athic gas.' (home conservation) (letter)
 Rosenberg, William G.
 New York Times v128 SECTION A col 3 PAID July 24, 1979
 EDITION: Tue 15 col in
 CODEN: NYTIA
 ARTICLE TYPE: letter
 SIC CODE: 1311
 DESCRIPTORS: fuel conservation--technique; gas, natural--economic aspects

RANK 3 OF 8, 1 PAGE 1 OF 1, DB CT7, DOCUMENT 336952
 CHICAGO TRIBUNE
 Copyright Chicago Tribune 1987

DATE: THURSDAY April 30, 1987
 EDITION: SPORTS FINAL SECTION: PERSPECTIVE ZONE: C PAGE: 23 LENGTH: MEDIUM
 SOURCE: By William G. Rosenberg.
 THE MANY VIRTUES OF ALCOHOL FUELS
 END OF DOCUMENT.

RANK 6 OF 8, PAGE 1 OF 1, DB CT6, DOCUMENT 234634
 CHICAGO TRIBUNE
 Copyright Chicago Tribune 1986

DATE: FRIDAY October 31, 1986
 EDITION: SPORTS FINAL SECTION: PERSPECTIVE ZONE: C PAGE: 23 LENGTH: MEDIUM
 SOURCE: By William G. Rosenberg, formerly assistant administrator of the
 Federal Energy Administration and chairman of the Michigan Public
 Service Commission. He currently is vice chairman of a real estate
 investment firm in Michigan.

A BETTER FARM POLICY VIA ETHANOL
 END OF DOCUMENT.

b
 RANK 1 OF 3, PAGE 1 OF 1, DB F87, DOCUMENT 30342
 DETROIT FREE PRESS
 DATE: TUESDAY June 30, 1987
 ED: METRO FINAL
 PAGE: 9A SECTION: EDP LENGTH: MEDIUM
 BYLINE: WILLIAM ROSENBERG
 DATELINE:

HOUSING

END OF DOCUMENT.

RANK 2 OF 3, PAGE 1 OF 1, DB F86, DOCUMENT 34816
 DETROIT FREE PRESS
 DATE: TUESDAY August 12, 1986

ED: METRO FINAL
 PAGE: 7A
 BYLINE: *WILLIAM G. ROSENBERG*
 DATELINE:

WHY GIVE AWAY GRANT USE IT IN FULL

END OF DOCUMENT.

RANK 1 OF 16, PAGE 1 OF 1, DB 707, DOCUMENT 54510
 DETROIT FREE PRESS
 DATE: TUESDAY November 21, 1967
 ED: METRO FINAL
 PAGE: 8A
 SECTION: B12
 LENGTH: SHORT
 ILLUST:
 BYLINE:
 DATELINE:
 MEMO: from our readers

CO-OPERATION PAYS OFF IN HOUSING PROJECT

regarding your Oct. 24 editorial, housing: the needs in michigan are clear; the solutions deserve high priority: the package of bills sponsored by senate majority leader john engler and house urban affairs committee chairman nelson saunders represents a significant step in mitigating the housing problem.

most importantly, however, this bipartisan agreement proves that co-operation between outstate republicans and detroit democrats on an important urban problem is indeed possible. the compromise was a program for both profit and non-profit private developers with provisions that require developers to share

1
 RANK 1 OF 16, PAGE 2 OF 3, DB 707, DOCUMENT 54510
 profits with the michigan state housing development authority (mshda), which will dedicate its share to reducing rents for low-income families. also included is a neighborhoods rehabilitation program targeted for distressed areas.

credit should also go to mshda executive director terrence duvernay and chairman donald tucker who helped develop and now must implement the innovative financing techniques at a time when most state housing agencies are waiting in the wings for federal action.

the engler/saunders package not only establishes two programs that will create 3,000 units for low- and moderate-income families, but also represents a foundation for continued co-operation to meet our serious urban problems.

william g. rosenberg
 vice-chairman
 the investment group
 ann arbor

/3/19
 452917 Genuine Article: Data Number of References: 3
 FEDERAL ENERGY PROGRAMS AND POLICY
 BELMAR W; MONTGOMERY R; BUTLER M; ROSENBERG W; WILDEROETER C; WILSON D
 BUSINESS L WYER, 1977, V32, N2, P611-668
 Language: ENGLISH Document Type: DISCUSSION

/5/2
 022818
 Downtown Adaptive Reuse Project Signals New Public/Private
 Partnership/Detroit Renaissance
 Rosenberg, William G.; McCabe, Robert E.
 Jnl of Housing v38n8 PP: 437-443 Aug/Sep 1981 CODEN: JOMCA4 ISSN:
 64-646X JNL CODE: JHO
 DOC TYPE: Journal Paper LANGUAGE: English LENGTH: 7 Pages
 AVAILABILITY: ABI/INFORM

A group of developers and Detroit Renaissance Inc., a nonprofit corporation of Detroit, Michigan business leaders, sought to create an urban residential neighborhood in the once fashionable Washington Boulevard and Capitol Park area. The construction plan was to convert existing underutilized office buildings into apartments that would complement new residential construction while supporting other area office, transportation, and entertainment investments. With an investment of \$19 million, 4 major office buildings were purchased, and construction on 407 apartment units was begun. Detroit Renaissance's provision of a \$250,000 seed loan served as a catalyst to capital investments and was the critical factor in the project's success. Despite difficult money markets and the high-risk area to be reformed, construction and permanent mortgage financing were arranged and government approvals were secured. The Detroit effort is an example of the possibilities inherent in cooperation between the private and public sectors in housing. Background information on the organization of Detroit Renaissance is given.

DESCRIPTORS: Michigan; Central business districts; Office buildings; conversion; Housing; Projects; Financing; Joint ventures; Urban development
 CLASSIFICATION CODES: 8360 (CN=Real estate); 3100 (CN=Capital & debt management); 1200 (CN=Social policy)

5/3

02357

CONSERVATION INVESTMENTS BY GAS UTILITIES AS A GAS SUPPLY OPTION

ROSENBERG, WILLIAM G.

Public Utilities Fortnightly V99 N2 PP: 13-21 JAN. 20, 1977 CODEN:

JNAV ISSN: 0033-3808 JRNL CODE: PUF

DOC TYPE: Journal Paper LANGUAGE: English

AVAILABILITY: Public Utilities Reports, Inc., Suite 500, 1828 L St. NW, Washington, DC 20036

A PROPOSAL IS OFFERED FOR GAS UTILITIES TO CONSIDER AS AN IMPORTANT PRCE OF GAS SUPPLY THE PROMOTION OF CONSERVATION BY FINANCING CERTAIN ASURES TO IMPROVE THE EFFICIENCY OF GAS USE BY THEIR RESIDENTIAL HEATING STOMERS. THE THREE ENERGY CONSERVATION MEASURES WHICH APPEAR TO BE COST EFICIAL ARE CEILING INSULATION, AUTOMATIC THERMOSTAT CONTROLS, AND RNACE MODIFICATIONS. THE ECONOMICS OF TREATING CONSERVATION INVESTMENT AS GAS UTILITY SUPPLY OPTION ARE COMPELLING. IF THE PROGRAM WERE UNIVERSALLY PLEMENTED OVER A SEVEN YEAR PERIOD, CUSTOMERS WOULD HAVE LOWER HEATING LLS, JOBS WOULD BECOME AVAILABLE IN COMMUNITIES, UTILITIES WOULD HAVE AN TRACTIVE BUSINESS OPPORTUNITY, NEW GAS CUSTOMERS COULD BE SERVED, NO DERAL SUBSIDIES WOULD BE REQUIRED, AND THE NATION COULD REDUCE THE ENERGY PENDENCE ON FOREIGN OIL AND GAS SUPPLIES. TABLES.

DESCRIPTORS: Energy conservation; Gas; Natural gas supply; Natural gas ilities

CLASSIFICATION CODES: 1500 (CN=Energy/Environment); 8340 (CN=Electric, ter & gas utilities)

/5/4

008473

OIL AS A GENERATING FUEL IS NOT AN OPTION

ROSENBERG, WILLIAM G.

Public Utilities Fortnightly V98 N2 PP: 17-20 JULY 15, 1976 CODEN:

JNAV ISSN: 0033-3808 JRNL CODE: PUF

DOC TYPE: Journal Paper LANGUAGE: English

AVAILABILITY: Public Utilities Reports, Inc., Suite 500, 1828 L St. NW, Washington, DC 20036

THE EMERGING CONSENSUS AMONG OBSERVERS IN THE ELECTRIC INDUSTRY IS THAT IL AS A GENERATING FUEL IS NOT A FUTURE OPTION. UTILITY CONSTRUCTION OF IL-PIRED GENERATING PLANTS IS BAD ECONOMICS AS WELL AS CONTRARY TO PUBLIC OLICY. THE ALTERNATIVE TO ENERGY DERIVED FROM OIL MUST BE USE OF BOTH COAL ND NUCLEAR POWER AS ENERGY SOURCES. NEITHER ALONE CAN DO THE JOB. THROUGH HE ENERGY SUPPLY AND ENVIRONMENTAL COORDINATION ACT OF 1974, CONGRESS HAS IVEN THE FEDERAL ENERGY ADMINISTRATION MANY OF THE REGULATORY TOOLS IT EEDS TO MAKE SURE THAT COST EFFECTIVE UTILITY ECONOMICS AND SOUND PUBLIC OLICY ARE REFLECTED IN ACTUAL UTILITY PRACTICES.

DESCRIPTORS: Electric utilities; Oil consumption; FERC; Planning; lternative energy sources

CLASSIFICATION CODES: 1500 (CN=Energy/Environment); 8340 (CN=Electric, ater & gas utilities)

3/5/5

5002889

KILOWATTS AND CAPITAL - THE REAL ENERGY CRISIS

ROSENBERG, WILLIAM G.

Public Utilities Fortnightly V93 N3 PP: 26-32 JAN 31, 1974
 CODEN: PUFN.V ISSN: 0033-3808 JRNL CODE: PUF
 DOC TYPE: Journal Paper LANGUAGE: English
 AVAILABILITY: Public Utilities Reports, Inc., Suite 500, 1623 L St. NW,
 Washington, DC 20036

UNLESS UTILITIES ARE ABLE TO OVERCOME THEIR FINANCIAL OBSTACLES IN THE
 NEXT FEW YEARS, CONSUMERS WILL BE FACED WITH ENERGY SHORTAGES AND HIGHER
 PRICES. OVER 10 PER CENT OF PLANNED PROJECTS IN 1974 WERE POSTPONED BECAUSE
 OF THE INABILITY TO OBTAIN CAPITAL AT REASONABLE COSTS. THERE ARE THREE
 POSSIBLE COURSES OF ACTION AVAILABLE. THE FIRST IS TO CONTINUE ON THE
 PRESENT COURSE OF ACTION WHICH WOULD LEAD TO UNRELIABLE, HIGH-PRICED
 SERVICE. THIS WOULD NOT BE ACCEPTABLE FROM BOTH A POLITICAL AND ECONOMIC
 STANDPOINT. THE SECOND IS TO CHANGE RESTRICTIVE REGULATIONS TO ALLOW PRICES
 TO INCREASE AS NEEDED. THIS IS ALSO UNDESIRABLE AS IT IS FELT THAT
 REGULATORY COMMISSIONS FILL A VITAL FUNCTION. THE FINAL ALTERNATIVE IS TO
 HAVE GOVERNMENT INTERVENTION THROUGH TAX RELIEF, CREDIT ASSISTANCE AND
 GUARANTEES OF DEBT. THIS IS THE MOST ACCEPTABLE BECAUSE IT WOULD LESSEN THE
 RISK TO THE INVESTOR AND INDUCE HIM TO INVEST THE NEEDED FUNDS.

DESCRIPTORS: Utilities; Capital formation; Energy shortages
 CLASSIFICATION CODES: 8340 (CN-Electric, water & gas utilities)

1/5/6

1006507

ARE ELECTRIC UTILITIES VIABLE?

ROSENBERG, WILLIAM G.

Michigan Business Review V26 N4 PP: 1-6 JULY 1974 CODEN: MBURAK

ISSN: 0026-2056 JRNL CODE: MBR

DOC TYPE: Journal Paper LANGUAGE: English

SEVERAL ALTERNATIVES SHOULD AND ARE BEING EXAMINED IN AN ATTEMPT TO
 PREVENT MORE DRASTIC ACTION TO BAILE OUT THE ELECTRIC UTILITIES IN THE
 SHORT-TERM AND, IN THE LONG-TERM, TO ASSURE THE CITIZENS OF SUFFICIENT
 ENERGY FROM FINANCIALLY SOUND COMPANIES. EVERY STATE REGULATORY BODY SHOULD
 STRIVE FOR INNOVATIVE AND AGGRESSIVE REGULATION AS A STANDARD. THE MICHIGAN
 PUBLIC SERVICE COMMISSION, TO DEAL WITH THE CHANGING ENERGY SITUATION AND
 THE NEED FOR LONG-TERM EXPANSION OF ELECTRIC SUPPLIES, HAS UNDERTAKEN A
 MAJOR REVIEW OF ITS RATEMAKING POLICIES, PROCEDURES, STAFFING AND
 ORGANIZATION, AND OBJECTIVES. THIS EFFORT IS A FIVE POINT PROGRAM OF
 FINANCIAL REALISM, REORGANIZATION AND EXPANSION OF PROFESSIONAL STAFF,
 CONSUMER PROTECTION, REVIEW OF UTILITY MANAGEMENT EFFECTIVENESS, AND
 PLANNING FOR FUTURE SUPPLIES OF ENERGY. UTILITIES CAN REMAIN VIABLE WITH
 SOUND REGULATORY LEADERSHIP.

DESCRIPTORS: Electric utilities; Public utilities; Regulation
 CLASSIFICATION CODES: 8340 (CN-Electric, water & gas utilities); 9550
 CN=Public sector)

3/5/7

4001598

RATES, CONSUMER PRESSURE, AND FINANCE

ROSENBERG, WILLIAM G.

Public Utilities Fortnightly V93 N3 PP: 26-32 JAN 31, 1974 CODEN:

PUFNAV ISSN: 0033-3808 JRNL CODE: PUF

DOC TYPE: Journal Paper LANGUAGE: English

DEBT-EQUITY RATIOS, COVERAGE REQUIREMENTS AND INDENTURE RESTRICTIONS

EXCLUDED BY 1975 11/25/75

RE DEVELOPED IN RESPONSE TO THE PROBLEMS OF THE DEPRESSION AND UTILITY
LOADING-COMPANY SCANDALS OF THE THIRTIES BEFORE THE ADVENT OF THE
VERNMENT A PARATUS TO STABILIZE THE ECONOMY AND BEFORE NEW TECHNOLOGY,
VIRONMENTAL CONCERNS AND INFLATION AND A NEW LEVEL OF INTEREST-RATES
USED CAPITAL COSTS TO EXPLODE. THE ELECTRIC UTILITIES, FINANCIAL AND
ADEMIC COMMUNITIES, CONSUMER GROUPS, REGULATORY COMMISSIONS AND THE
DERAL GOVERNMENT MUST TAKE A HARD, SECOND LOOK IF THE ELECTRIC UTILITIES
E TO SERVICE THE ENERGY REQUIREMENTS OF THE COMING DECADE.

DESCRIPTOR: Electric utilities; Energy economics; Trends

CLASSIFICATION CODES: 8340 (CN=Electric, water & gas utilities)

QUESTION FROM SENATOR LIEBERMAN

QUESTION

1. In your previous work more than decade ago with the Federal Energy Administration, you were a strong proponent of conservation as an effective means to reduce energy consumption in this country. Do you feel that the potential energy savings that can be accomplished through conservation today are as great as they were when you were at FEA, or have most of the possible savings already been made?

ANSWER

While at FEA, I focussed on the potential cost savings to utilities from energy conservation. Here, some gains have been made, but much more could be done. For example, currently fewer than 20 states employ least cost energy planning. The enormous pollution reduction benefits which are potentially available through energy conservation are an added reason for aggressively pursuing energy conservation measures.

QUESTION

2. Increasingly, we are finding that energy and environmental issues cannot be decoupled when we consider questions of clean air and potential climate change. Do you agree, and, if so, how will this influence your role at EPA?

ANSWER

I strongly concur with the need to take a broad view of the sources of and solutions to pollution. The notion of simply controlling emissions at the end of a smokestack must be discarded. We will look for solutions that attack multiple air pollution problems and which will focus on the goal of preventing pollution as the least costly, most sensible means of controlling it.

QUESTION

3. Will you take an advocacy role in seeking to influence the energy R&D programs at DOE to bring them more into line with the long-term needs for environmentally sound energy development, consistent with policy options that EPA has identified for ameliorating potential climate warming?

ANSWER

I will seek to forge a close working relationship with DOE with emphasis on the development of those research efforts that will best meet the long-term needs of reduced emissions of fossil fuels. This effort should include both research directed at increased energy conservation to reduce demand and alternative sources of supply to reduce pollution from fossil fuels.

QUESTION

4. When options to improve air quality are examined, the question of economic impacts is often raised and alternatives like renewable energy sources are said to be not economically competitive. However, the costs for existing power generation, which are used to evaluate current economics, normally only consider direct internal costs to the producers and do not include societal costs, which can be considerable. Some estimates place the real societal costs of coal-fired power generation at almost double the internal cost to the firm. How do you think these cost comparison distortions should be addressed so we can make rational decisions on options to improve our air quality?

ANSWER

I agree with you that economic comparisons often do not include the full societal costs of energy alternatives. That is one reason it is important to develop and implement effective and efficient environmental regulations. Such requirements compel energy producers to consider more fully societal impacts in their decisionmaking process.

- 5) The EPA Inspector General concluded in a report in December 1988 that EPA's enforcement strategy is being adversely affected by slow processing of revisions to the State Implementation Plans (SIP) and disagreements between EPA and the states over whether certain rule changes require EPA approval. What is your strategy for improving the SIP revision process?

Answer to Question 5)

I share the Inspector General's concern that SIP processing delays not interfere with enforcement of our clean air laws. Both management and legal issues will have to be addressed in dealing with the problem you raise.

On the management side, EPA announced in January a series of steps to reform and expedite the processing of SIP revisions. These include delegating more authority to EPA's Regional offices, streamlining procedures, improving guidance and communications within EPA and between EPA and the States, installing better management tracking systems, and adopting "grandfathering" provisions for policy changes.

On the legal side, we agree with the Inspector General that amendments to the Clean Air Act would help to resolve conflicts between the processing schedules mandated in the Act and judicial interpretations of EPA's ability to enforce existing federally approved regulations when States submit SIP revisions. We expect to examine the best mechanism for resolving these conflicts as the Administration develops proposed amendments to the Act.

- 6) Recent statements by Administration spokespersons working on the Clean Air Act reauthorization indicate an interest in market-based strategies, including emissions trading policies. Have you examined the states' lack of success with enforcing related approaches in other areas of the Clean Air Act, such as "bubbles" in the nonattainment area?

Answer to Question 6)

Market-based strategies for achieving clean air standards have much to commend them from the standpoint of both economic efficiency and improving the freedom of firms to select among different approaches to improve air quality. I expect such strategies to be important tools in our present and future efforts. However, in promoting market approaches, we must ensure that information in such areas as emissions inventories is adequate to guarantee that such approaches produce environmental improvement. Although I personally have only limited knowledge of EPA's experience with the "bubble" policy, my sense from talking to EPA staff is that concerns with the "bubble" have focused on whether real emissions reductions as well as cost savings resulted from its use. As market mechanisms in air pollution control expand, EPA and State and local air pollution control agencies must also have adequate information mechanisms in place so that both economic benefits and environmental quality can be achieved.

QUESTION

7. The state of Connecticut has submitted a request that EPA approve a revision to its SIP which would permit a lower fuel volatility level than currently allowed by federal regulation. The state has determined that this level is a critical element in its efforts to achieve the ozone standard set by EPA. What is your view on this proposed SIP revision? Are you committed to action which will enable Connecticut to implement this proposal before the summer?

RESPONSE

On March 16, 1989, EPA published a notice of proposed rulemaking which proposes to approve the Connecticut SIP revision for the state gasoline volatility program. The public comment period on this proposed rule closes on April 17, 1989. Administrator Reilly and I have already discussed the importance of EPA expeditiously completing action on this SIP revision. A final decision on the SIP revision will be made as soon as all the public comments are analyzed and factored into the decision process.

QUESTION

8. Administrator Reilly has stated that the Agency's recent decision to lower the fuel volatility level to only 10.5 psi rather than 9 psi is the first phase in the process. How will you approach an evaluation of whether the Agency will agree to a lower volatility level?

RESPONSE

In its August 1987 proposed rule on gasoline volatility, EPA proposed a two-phased program. The first phase was to reduce volatility to 10.5 psi in 1989, and the second phase was to reduce volatility to 9 psi in 1992. The final rule for the first phase of the volatility program was published on March 22, 1989. There are a few remaining issues raised in the public comments related to the second phase of the volatility program which necessitated taking no action on the second phase of the program in the March 22 final rule. However, I will be working with staff to resolve the remaining issues quickly so that we can publish a final rule on the second phase of the gasoline volatility program in the next few months.

QUESTION

9. EPA concluded in 1987 that on-board fuel controls were a cost-effective and an important element in the effort to achieve attainment with the ozone standard throughout America. Nevertheless, the administration recently determined not to require on-board controls at the present time. Administrator Reilly has indicated that the Agency may continue to examine this issue. Was the decision not to require on-board controls now EPA's decision? How will you approach an evaluation of whether EPA should require on-board controls?

ANSWER

When EPA proposed onboard controls in 1987 it stated that after EPA had evaluated the public comments related to vehicle safety and consulted with the Department of Transportation (DOT), it would repropose the rule for further public comments on the safety issue. Such a reproposal is the next step in the process. After the change in Administration, EPA Administrator Reilly contacted DOT Secretary Skinner about our pending reproposal. Secretary Skinner informed him that he had requested an independent review of DOT's previous safety concerns regarding onboard controls by a contractor expert in the field of vehicle safety. This review is now underway and Secretary Skinner has informed EPA that it will be complete in several weeks.

- 10) What is the level of funding within EPA provided to EPA laboratories or the National Institute of Environmental Health for basic research on the health effects of air pollution?

Answer to Question 10)

The Agency's health effects research program is administered by the Office of Research and Development (ORD). ORD provides the results of its research efforts to the Office of Air and Radiation for use in carrying out its standard setting and regulatory responsibilities.

The primary goal of the ORD program is to evaluate the potential health effects from exposure to "criteria" air pollutants, such as ozone and carbon monoxide, and to hazardous air pollutants. For FY 1990 the Agency is requesting a total of \$25.2 million for research on the health effects of air pollution. This represents an increase of \$4.1 million over the FY 1989 level. These funds support both research conducted in-house by EPA researchers as well as extramural research conducted by universities and other research organizations.

QUESTION FROM SENATOR SIMPSON

QUESTION

1. The President has expressed an interest in the use of alternative fuels as one means of lessening certain motor vehicles emissions. Please explain your views concerning alternative fuels. In your response, please differentiate between the use of neat fuels and low-level blended fuels.

ANSWER

I believe alternative fuels may have the potential to significantly reduce motor vehicle emissions. Alternative fuels can be put into two general categories. The first are additives blended with gasoline. Examples of such additives are ethanol, methyl tertiary butyl ether (MTBE), and ethyl tertiary butyl ether (ETBE). These blends, called oxygenated fuels, have the effect of making a vehicle's air-to-fuel ratio leaner and, thus, causing better combustion and up to a 25% reduction in carbon monoxide tailpipe emissions.

The second category are pure or "neat" alternative fuels that are meant to replace gasoline or diesel fuel. Examples are pure ethanol, methanol, compressed natural gas and perhaps electricity. These fuels can reduce the ozone-forming potential of vehicles by as much as 80% when compared to today's gasoline cars.

QUESTION

2. Please explain your views on the appropriate role of the federal government in encouraging the use of alternative fuels. For instance, do you favor mandating the use of ethanol blends and if so, what is your rationale? Should the Clean Air Act be used as a vehicle to promote such fuels? If you believe it should, how would you structure those provisions in the Act?

ANSWER

As an Administration Clean Air proposal is developed, several options concerning the use of alternative clean fuels are being evaluated to help reduce motor vehicle emissions. Clean alternative fuels do offer significant environmental benefits. Whether and to what extent they should be part of Clean Air Act deliberations is something still being considered.

As we proceed over the next few weeks to decide upon and draft a Clean Air bill, these important matters will be thoroughly studied.

QUESTION

3. Historically, the Clean Air Act has placed the responsibility for developing and implementing air quality strategies with the states. What are your views on the future role of the federal government in dictating control strategies to meet the goals of the Act? With regard to oxygenated fuels, do the states have adequate incentives and authority to implement such programs? If not, what are your views on whether and to what degree the federal government should mandate oxygenated fuels programs? Wouldn't it be more efficient to set emissions standards rather than fuel standards and allow any fuel which can meet those standards to be used?

ANSWER

EPA's historical action with respect to alternative fuels has been to provide technical guidance to state and local air quality planners so they might design and implement a program suitable to their needs. To this end, in January 1988 EPA published a comprehensive technical guidance document and sent it to all 50 states. The document presents the most recent data on the vehicle emission impacts of all types of alternative fuels. It also explains how a state can apply for emission reduction credits for an alternative fuel program in its State Implementation Plan. States have authority to adopt such programs.

The primary factor which needs to be considered in deciding whether an alternative fuels standard should be established by the Federal government is whether serious air pollution problems exist in a large enough number of cities to necessitate Federal action appropriate to avoid differing state regulations. Other factors, such as environmental benefits, costs and sufficient availability of alternative fuels, must also be considered as well.

Today's vehicle emission standards are quite stringent. Even so, in addition to possible requirements on fuels we are also studying a range of options to require further controls on vehicles. Today's gasoline vehicles have already been substantially controlled, yet growth in vehicle miles traveled has offset much of this benefit. Alternative fuels may offer one way of achieving major reductions in vehicle emissions.

QUESTION

4. If we are at the beginning of a transition to alternative forms of transportation fuels, what are your views on such fuels of the future? Do you believe the federal government should favor, either directly or indirectly, one particular fuel over another? What are your views on incentives for the use of or subsidies on the development and sale of alternative fuels?

ANSWER

Alternative transportation fuels may offer the environmental benefit of greatly reduced levels of carbon monoxide and ozone. Because of this, we are carefully evaluating the roles that these fuels can play in solving our nation's air pollution problems. Exactly what role these fuels should play and what, if any, Federal requirements for their use should be established, are issues we are now considering as part of the Administration's development of proposed Clean Air Act amendments.

QUESTION

5. Can you outline any potential risks associated with methanol? Isn't it highly toxic and aren't there health and safety concerns, such as the possibility of increased deaths from poisoning? Do emissions of formaldehyde increase significantly with methanol fuels use? Isn't this a concern both in terms of formaldehyde's role in ozone formation as well as the fact that it is classified as a probable human carcinogen?

ANSWER

Both gasoline and methanol are toxic materials. Methanol can be dangerous if ingested or absorbed and precautions must be taken to assure this does not occur.

Formaldehyde emissions from methanol-fueled vehicles are higher than from gasoline vehicles, but the emissions of other toxics, such as benzene, are lower. More importantly, most formaldehyde in the ambient air is formed through photochemical reactions of volatile organic emissions. Since methanol vehicles produce less of these emissions than gasoline vehicles, the use of methanol can result in less photochemically formed formaldehyde as well as less ozone. Any review of automotive fuel choices must include air toxic issues.

QUESTION FROM SENATOR SIMPSON

I have not had an opportunity to be briefed on the proposed hazardous air pollutant standards for radionuclide emissions. I am concerned about the entire question of emission standards for air toxics and the difficulties EPA has faced in issuing standards under the current law. I am committed to working with the Congress to find a solution to this problem as we engage in reauthorizing the Clean Air Act.

QUESTION 1

Do you agree that radionuclides were properly classified as a "hazardous air pollutant?" What was the scientific basis for that determination? Is that scientific data still valid? Has EPA re-examined its 1979 determination in light of any information which has become available since that time?

QUESTION 2

Is either the "hazardous air pollutant" determination or the proposed regulation based upon the assumption that there is no safe level of radionuclide emissions? If so, what is the scientific basis for this assumption? Is there any scientific disagreement with such an assumption?

ANSWER

Although I am not familiar with the decision to list radionuclides as a "hazardous air pollutant," EPA staff tells me that this decision is still valid based on current scientific data.

QUESTION 3

If the scientific evidence for listing radionuclides as a "hazardous air pollutant" confirms health effects only above a certain level, would you consider establishing a level below which regulation is unwarranted until scientific evidence shows otherwise?

ANSWER

If there were scientific proof that there was a level of radiation exposure below which there were no deleterious effects, I would certainly consider establishing that as a safe level. However, I understand that at this time, EPA has no scientific data that indicate that such a level exists.

QUESTION 4

What is the scientific basis for EPA's statement in the proposed regulations that "[a] source does not present an acceptable risk simply by being less than natural background"?

ANSWER

I am not familiar with the proposed regulations for radionuclide emissions. Therefore, I am unable to comment on this particular statement at this time.

QUESTION 5

If the final regulations required the uranium mining and milling industry to meet emission levels below naturally occurring background level, do you believe that there should be substantial and unambiguous scientific evidence demonstrating that a health risk does in fact exist with respect to emission levels above those which the industry would be required to meet?

ANSWER

I am not familiar with the proposed radionuclide emission standards for the uranium mining and milling industry, nor the rationale used in selecting the proposed options. I intend to review these proposed regulations once I am confirmed.

QUESTION 6

Since federal agencies such as the Nuclear Regulatory Commission and the Mine Safety and Health Administration already regulate radionuclide emissions from some sources, do you believe that EPA's effort to regulate these emissions is duplicative?

ANSWER

I am not familiar with the regulations of the Nuclear Regulatory Commission or the Mine Safety and Health Administration with respect to radionuclide emissions. However, I will ensure that EPA's final radionuclide regulations are not duplicative with the regulations of these other Federal agencies.

QUESTION 7

How, if at all, has EPA considered cost of compliance or technological feasibility in proposing the radionuclide emission standards? Will EPA consider cost of compliance or technological feasibility in promulgating the final regulations?

ANSWER

I am not familiar with the rationale the Agency used to select options for the proposed radionuclide NESHAPS. I need to better understand that rationale before I can commit to what factors the Agency will consider in establishing its final regulations. I am aware, however, that the existing law may limit me in what factors may be considered. I believe that new legislation is needed to address the difficulties posed by the current law.

QUESTION 8

Should a higher level of risk be required to justify promulgating regulations which do not take into account the cost or technological feasibility of compliance? What level of evidence that such a risk exists should be required?

ANSWER

I need to better understand the limitations posed by the existing Clean Air Act in setting standards under Section 112 and the inherent uncertainties in the Agency's risk analyses before I can comment on this issue. I have just begun to learn about the difficulties EPA has faced under the current law. I understand that many uncertainties are associated with risk analyses and that these analyses are often a source of litigation. I believe that current law must be changed so that effective regulation can occur.

QUESTION 9

What is the justification for regulations designed to achieve risk levels (such as 1 in 10,000) which are much lower than risk levels encountered in everyday living, e.g., driving.

ANSWER

Before I can comment on this issue, I need to become more familiar with the Agency's proposed regulations under Section 112. However, because of the uncertainties inherent in risk analyses, I am concerned about regulating risks by using a "bright line" approach.

QUESTION 10

Has EPA examined the existing regulations and work practices to determine whether they are sufficient to protect public health and safety? Could EPA adopt standards for radionuclides which would allow for emissions at current levels? Could EPA adopt standards which provided for variances on a case-by-case basis?

ANSWER

I am not familiar with existing regulations and work practices that govern radionuclide emissions. I will consider them when evaluating options for final regulations.

QUESTION 11

Alternatives A and B for radon releases from DOE facilities and from phosphogypsum stacks call for emissions limited to 20 picocuries, while radon emissions from uranium mill tailing operations are limited to 6 picocuries under Alternative A. What is the basis for the differing treatment of the radon emissions from these facilities?

ANSWER

I am not familiar enough with the proposed radionuclide standards to comment on this question.

QUESTION 12

Given the length and complexity of EPA's proposed rule on radionuclide emissions, in your opinion is a 75-day comment period, with only four days of public hearing, sufficient to provide the public and affected entities opportunity for a meaningful review of the proposal and preparation of thoughtful comments to the agency?

ANSWER

I am committed to providing sufficient opportunity for the public and affected parties to review proposed regulations. I will look into the adequacy of the current comment period once I am confirmed. However, I understand that a court order requires these regulations to be promulgated by August 31, 1989.

QUESTION 13

The uranium industry has been declared "non viable" by the Department of Energy for the last four years and is extremely depressed due primarily to lack of demand and foreign imports of subsidized uranium. Would you, as Assistant Administrator for Air and Radiation, want to impose these regulations if, under whatever alternative is chosen, the uranium mining and milling industry would be put out of business because of compliance costs?

QUESTION 14

What level of risk do you feel would need to exist, and how conclusive would the evidence of that risk have to be, before you could support issuance of final regulations which likely would be too expensive for the uranium mining and milling industry to comply with and thus would put the industry out of business?

ANSWER

I share your concerns about the potential for shutting down industrial facilities as a consequence of regulations under Section 112. My understanding is that the current Clean Air Act could require EPA to issue regulations that could lead to shut downs of some facilities in some industries. This is one reason that I feel strongly that new legislation is called for.

QUESTION 15

If confirmed, would you be willing to rescind the recently proposed regulations and to work with all interested parties, perhaps using a negotiated rulemaking process, to arrive at a more reasonable regulatory scheme?

ANSWER

I am not familiar enough with the proposed radionuclide standards to make a judgment as to whether they should be rescinded. I am committed to working with all interested parties to arrive at a reasonable regulatory scheme. However, the current Clean Air Act may preclude the establishment of regulations acceptable to all concerned parties.

QUESTION FROM SENATOR SYMMS

QUESTION 1

Are you aware that a potential site for the national nuclear waste repository is under study in Nevada?

ANSWER

I am aware that the Congress has chosen Nevada as a prime potential site for the national high-level radioactive waste repository.

QUESTION 2

Are you aware that the state of Nevada is withholding necessary air permits from the U.S. Department of Energy and thus is preventing the detailed, hands-on evaluation of the proposed repository site?

ANSWER

I am not familiar with this situation.

QUESTION 3

Isn't it true that the EPA delegates authority to states or approves state air programs like Nevada's?

ANSWER

EPA can delegate its Clean Air Act authority to a State and I understand that it has done so to the State of Nevada.

QUESTION 4

What remedies are provided to EPA under the Clean Air Act when a State fails to implement that Act under delegated federal authority?

ANSWER

If a State does not fulfill its delegated obligation to administer the Clean Air Act that delegation can be withdrawn.

QUESTION 5

I would like to get your commitment that as a matter of urgent priority you examine this issue and personally report back to me on this issue. In that regard, I would like you to examine the full range of options that are available to the EPA to bring about a resolution of this issue and to indicate to me what steps you plan to personally take to help the DOE get on the site at Yucca Mountain and begin its new site characterization activities.

ANSWER

I appreciate your concern about this very important issue. I pledge that I will look into it at my earliest possible opportunity and that I will get back to you with a full report.

Humphrey (4/14/89)

Question 1:

Do you support immediate action to reduce chemical emissions which cause acid rain? Does your acid rain strategy favor one means of emissions reduction over another? Can you provide any indication of what reduction goals (in terms of how many millions of tons of SO₂ and NO_x over how many years) do you think are necessary to protect our natural resources?

Response:

I support the President's call for legislation to reduce the emissions that cause acid rain, and I intend to work with the Congress on the passage of that legislation. As I indicated in my statement, the Administration is reviewing the acid rain issue in detail and has not reached conclusions on the precise strategy, nor on the exact amount and timing of reductions. At such time as I am able, I will share the Administration's proposal with you.

Question 2:

What type of role do you anticipate for conservation in your acid rain strategy? What strategies do you have in mind to provide incentives to utilities to make full use of conservation, and to ensure that utilities receive full credit for reductions achieved through conservation?

Response:

I support greater employment of conservation in the achievement of air quality objectives and reliance on incentives to make full use of conservation strategies. However, discussion of specific strategies or incentives for using conservation to help meet acid rain reduction goals would be more appropriate after the Administration has developed its proposal.

Humphrey (4/14/89)

Question 3:

Free-market economists have made several suggestions on how we might incorporate incentives into our battle to reduce air pollution. I would be interested in hearing what kind free-market or economics-based strategies you believe would be effective in achieving reductions in emissions of SO₂, NO_x and other air pollutants. What is your view on the usefulness of "air pollution permits", a strategy where utilities and companies would have to buy a permit or license to pollute--the idea being that a limited number of permits, and the cost associated with purchasing them, would create a competitive market thereby providing industries with an economic incentive to create more efficient pollution control systems?

Response:

I am interested in the potential usefulness of market-based approaches in achieving emissions reductions, and we are considering them in our review of possible responses to acid rain.

Question 4:

Use of scrubbers to clean high-sulfur coal results in the burning of more coal, thus increasing overall emissions of CO₂. How much weight should we put on global warming concerns as we seek to reauthorize the Clean Air Act? What role do you see the Air Office playing in seeking solutions to the problems associated with massive global warming?

Response:

I recognize that the energy and CO₂ implications of operating scrubbers need to be taken into account as we design clean air legislation. I believe the Air Office will play an active role in evaluating and seeking solutions to this emerging problem.